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7 November 1980

MEMORANDUM FOR THE RECORD

SUBJECT: State's Position on DCI's Recommendation for a Response to the Iranians

1. Assistant Secretary for Near East and South Asian Affairs Harold Saunders telephoned the undersigned at 1230 hours 7 November to convey to the DCI, on behalf of Deputy Secretary Christopher, State's position on the DCI's recommendation for a response to the Iranian Majlis' demands. (Saunders would have conveyed these to the DDCI but the latter is out of town.)

2. State's position, said Saunders, is the following: State agrees that the U.S. should not get into a bazaar-type haggling with the Iranians. However, State believes that enough specificity is required in the response so that the Iranians would have some assurance that they will get money. The U.S. cannot accept what the Iranians propose; rather the U.S. must respond by saying in effect "here are the steps that need to be taken in order to come to a solution...within the American system the way to cancel claims is to do the following, etc. etc."

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4. Saunders said that the U.S. draft response is now written, and the U.S. is awaiting word from the Algerians as to whether the latter will agree on the procedure (i.e., to present the response not merely as a messenger but as, in effect, an advocate.) The response has been translated into French and Saunders has asked our assistance in translating it into Farsi. We are looking into this.

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